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**S E A HOLDINGS LIMITED**  
**爪哇控股有限公司\***

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code : 251)**

### **OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. )*

Please refer to the attached announcement on the next page issued by Asian Growth Properties Limited, a 97.17%-owned subsidiary of the Company listed on the AIM Market of London Stock Exchange plc., on 20 August 2012.

At the date of this announcement, the Board comprises the following members:

*Executive Directors:* Messrs. Lu Wing Chi (*Chairman and Managing Director*),  
Lu Wing Yuk, Andrew, Lincoln Lu and Lambert Lu

*Non-executive Director:* Mr. Lam Sing Tai

*Independent Non-executive Directors:* Messrs. Walujo Santoso, Wally, Leung Hok Lim and Chung Pui Lam

Hong Kong, 20 August 2012

*\* For identification purpose only*

20 August 2012

## ASIAN GROWTH PROPERTIES LIMITED

Immediate Release

### Results for the six months ended 30 June 2012

Asian Growth Properties Limited (the “Company”) (AIM Stock Code: AGP), the Hong Kong based China property development and investment company, announces its unaudited consolidated results for the six months ended 30 June 2012 as follows:

#### Financial Highlights

- Profit attributable to the Company’s shareholders of HK\$367.4 million (£30.4 million) (2011: HK\$998.4 million (£80.3 million))
- Earnings per share for profit attributable to the Company’s shareholders of HK41.4 cents (3.4 pence) (2011: HK112.6 cents (9.1 pence))
- Net asset value per share attributable to the Company’s shareholders as at 30 June 2012 of HK\$12.3 (101.8 pence) (31 December 2011: HK\$11.9 (99.2 pence))
- Geographical location of the Group’s property assets were as follow:

	30 June 2012	31 December 2011
Hong Kong	HK\$8,461.0 million (£700.2 million)	HK\$8,214.7 million (£685.0 million)
Mainland China	HK\$3,905.5 million (£323.2 million)	HK\$3,792.7 million (£316.3 million)
Total	HK\$12,366.5 million (£1,023.4 million)	HK\$12,007.4 million (£1,001.3 million)

- Gearing ratio of 11.2% (31 December 2011: 11.5%)

#### Operational Highlights

- Gross rental income of Dah Sing Financial Centre in Hong Kong was maintained with a high occupancy level.
- The hotel operation results of Crowne Plaza Hong Kong Causeway Bay were satisfactory.
- Major mixed use development projects in Chengdu and Kaifeng, Mainland China are progressing. Site formation works for Phase I of Chengdu project and construction works for Phase I of Kaifeng project are planned to commence later this year.

#### Notes:

1. *Figures in Pounds Sterling are translated from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods. The relevant exchange rates adopted are stated as follows:-*

*For 30 June 2012: £1 = HK\$12.0836;  
For 31 December 2011: £1 = HK\$11.9923; and  
For 30 June 2011: £1 = HK\$12.4390*

2. *For Shareholders’ information, the exchange rate on 17 August 2012 was £1 = HK\$12.1759*

## Miscellaneous

The results included in this announcement are extracted from the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2012, which have been approved by the Board of Directors on 20 August 2012.

The 2012 Interim Report is expected to be posted to shareholders and holders of depositary interests in late September 2012.

For further information, please contact:

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Asian Growth Properties Limited

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If you wish to view the full announcement, please visit the Company's website at:  
<http://www.asiangrowth.com/html/eng/news.asp>

Attached:-

1. Chairman's Review;
2. Executive Directors' Review;
3. Unaudited Condensed Consolidated Income Statement;
4. Unaudited Condensed Consolidated Statement of Comprehensive Income;
5. Unaudited Condensed Consolidated Statement of Financial Position;
6. Unaudited Condensed Consolidated Statement of Changes in Equity;
7. Unaudited Condensed Consolidated Statement of Cash Flows; and
8. Notes to the Unaudited Condensed Consolidated Financial Statements.

## CHAIRMAN'S REVIEW

I am pleased to present the unaudited consolidated results of Asian Growth Properties Limited ("AGP" or the "Company", together with its subsidiaries, the "Group") for the first six months of 2012 to the shareholders of the Company.

### Results

AGP reported a profit attributable to the Company's shareholders of HK\$367.4 million (£30.4 million) for the six months ended 30 June 2012 (2011: HK\$998.4 million (£80.3 million)). The reported profit included a revaluation surplus on investment properties net of deferred taxation of HK\$359.2 million (£29.7 million) (2011: HK\$967.8 million (£77.8 million)). By excluding the net effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$8.2 million (£0.7 million) (2011: HK\$30.6 million (£2.5 million)).

As at 30 June 2012, the Group's equity attributable to the Company's shareholders amounted to HK\$10,881.3 million (£900.5 million), representing an increase of HK\$347.5 million (£22.1 million) over 31 December 2011. The net asset value per share as at 30 June 2012 was HK\$12.3 (101.8 pence) as compared with HK\$11.9 (99.2 pence) as at 31 December 2011.

Figures in Pounds Sterling are translated from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods.

### Operations

For the first half of 2012, the Group has continued the development of various property projects in Hong Kong and Mainland China.

The rental income from the investment properties situated in both Hong Kong and Mainland China continue to provide stable returns to the Group. Turnover for the period was mainly from the contribution of rental income of investment properties and income from the hotel operation. Crowne Plaza Hong Kong Causeway Bay performed satisfactorily during the period with improvement on room rate.

For details of the Group's operations, please refer to the Executive Directors' Review.

### Outlook

With deep trouble in the world's financial markets, there is much to be concerned about. The American economy appears to be slowing with stubbornly high job vacancies. The European financial system is suffering from political inertia with the situation in Spain getting worse by the moment and Greek default imminent. The momentum on economic growth in Germany and China is also slowing down. In Europe, more banks are being involved in the recent scandal on LIBOR and class actions starting to occur from customers as these banks manipulate the system to their advantage with their customers suffering.

In Mainland China, the GDP growth rate was 7.8% for the first half of 2012 which is the lowest in almost three years. While conditions in the external environment pose a significant challenge, recent monetary easing initiatives should help to sustain domestic demand. Reduced inflationary pressures may provide room for further monetary policy easing and supportive fiscal measures, though it is likely to be modest given continuing concerns over speculation in the property sector.

The Group is nonetheless extremely cautious about the state of the global financial markets and economies and will continue to adopt a conservative policy. The Board believes that this turmoil will bring about opportunity and is prepared to act to accelerate the development projects or consider new opportunities once a clearer pattern emerges from the current hiatus.

### **Interim Dividend**

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2012 (2011: Nil).

### **Acknowledgement**

The Board would like to take this opportunity to thank the executive and management team for the execution of the Board's strategy and their ongoing support.

Richard Prickett  
Non-Executive Chairman  
England, 20 August 2012

# EXECUTIVE DIRECTORS' REVIEW

## FINANCIAL SUMMARY

Turnover for the six months ended 30 June 2012 amounted to HK\$291.9 million (£24.2 million) (2011: HK\$296.5 million (£23.8 million)). The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of residential units in The Morrison and The Forest Hills.

Profit attributable to the Company's shareholders for the period amounted to HK\$367.4 million (£30.4 million) (2011: HK\$998.4 million (£80.3 million)), equivalent to a basic earnings per share of HK41.4 cents (3.4 pence) (2011: HK112.6 cents (9.1 pence)). The reported profit included a revaluation surplus on investment properties net of deferred taxation of HK\$359.2 million (£29.7 million) (2011: HK\$967.8 million (£77.8 million)). By excluding the effect of such surplus, the Group's net profit attributable to the Company's shareholders was HK\$8.2 million (£0.7 million) (2011: HK\$30.6 million (£2.5 million)), equivalent to HK0.9 cents (0.1 pence) (2011: HK3.5 cents (0.3 pence)) per share.

As at 30 June 2012, the Group's equity attributable to the Company's shareholders amounted to HK\$10,881.3 million (£900.5 million) (31 December 2011: HK\$10,533.8 million (£878.4 million)). The net asset value per share attributable to the Company's shareholders as at 30 June 2012 was HK\$12.3 (101.8 pence) as compared with HK\$11.9 (99.2 pence) as at 31 December 2011.

For Shareholders' information, figures in Pounds Sterling are translated from Hong Kong dollars based upon the exchange rates prevailing on the latest practicable business day of the respective accounting periods and the relevant exchange rates adopted are stated as follows:-

For 30 June 2012:	£1 = HK\$12.0836
For 31 December 2011:	£1 = HK\$11.9923; and
For 30 June 2011:	£1 = HK\$12.4390

## BUSINESS REVIEW

### Property Investment and Development

The Group continues in focusing on the development and investment projects in Hong Kong and Mainland China. It is the Group's approach to review and optimize the project portfolios from time to time.

### Hong Kong

The office leasing market was stable during the period. The rental income generated from Dah Sing Financial Centre, a 39-storey commercial building, has been stable and satisfactory and its occupancy rate remains at a high level of approximately 99% as at 30 June 2012.

During the period, the Group continued to sell the remaining units of the developed properties. The sale of remaining residential units and residents' car parking spaces of The Forest Hills and residential units (which are presently leased) of The Morrison are continuing.

The proposed development project at Fo Tan envisages, among other facilities, residential units, car parks, educational facilities and a bus terminus and has a site area of approximately 20,092 square metres. The revised general building plan was approved by the Buildings Department in October 2011 and the foundation works started in June 2012.

## **Mainland China**

### *Chengdu, Sichuan Province*

During the period, the occupancy rate for the two 30-storey office towers of Plaza Central improved substantially and its retail podium with a gross floor area of about 29,000 square metres has been fully let principally to Chengdu New World Department Store on a long-term lease. As at 30 June 2012, the aggregate occupancy rate for the two office towers and the retail podium was approximately 93%. Leasing activities for the remaining areas of Plaza Central continue.

The shopping arcade of New Century Plaza with a gross floor area of about 16,300 square metres has been fully let to a furniture retailer on a medium-term lease.

The Group is now finalising the master layout plan of the Longquan project, which has a site area of 506,000 square metres, and targets to submit the master layout plan to the local government before the end of this year. Preliminary site works of the project have been completed and site formation works for Phase I are being planned to commence before the end of this year.

### *Kaifeng, Henan Province*

The project in Kaifeng, known as “Nova City”, has a site area of 735,000 square metres and it is proposed to be developed into an integrated complex in Zheng-Kai District, a new town in Kaifeng. The proposed development has a gross floor area of approximately 3,000,000 square metres envisages shopping mall, premium offices, exhibition hall, hotel, serviced apartments and residential towers. Master layout plans are being revised to incorporate the latest government comments in order for re-submission. Preliminary site works have been completed while construction works of Phase I of the project are planned to start later this year.

### *Guangzhou, Guangdong Province*

As at 30 June 2012, the occupancy rate of the 14-storey office tower of Westmin Plaza Phase II of about 16,100 square metres was approximately 86% with more than one-third of the total office space being leased to AIA. Leasing activities for the 3-storey shopping arcade of Westmin Plaza Phase II with a total gross floor area of about 26,400 square metres are in progress.

### *Huangshan, Anhui Province*

The project in Huangshan has a site area of about 333,500 square metres comprising about 66,700 square metres of land owned by the Group and about 266,800 square metres of land leased from the local authority. An overall development plan for a hotel, serviced apartments and resort villas in the integrated resort site has been prepared and conceptual design has been completed.

### *Chi Shan, Nanjing, Jiangsu Province*

The Group has established two 51%-owned joint venture companies to participate in the tenant relocation arrangements and excavation and infrastructure works on certain pieces of lands in Chi Shan. The Group intended to acquire such lands through land auctions and has submitted master layout plans for these lands for the government's assessment.

### **Hotel Operation**

Crowne Plaza Hong Kong Causeway Bay is a 29-storey five-star hotel comprising 263 guest rooms with ancillary facilities and is presently managed by the InterContinental Hotels Group. It has achieved satisfactory occupancy and room rates for the period under review.

## **WORKING CAPITAL AND LOAN FACILITIES**

As at 30 June 2012, the Group's total cash balance was HK\$1,483.8 million (31 December 2011: HK\$2,008.7 million) and unutilised facilities were HK\$750.0 million (31 December 2011: HK\$620.0 million).

The gearing ratio as at 30 June 2012, calculated on the basis of net interest bearing debts minus cash and restricted and pledged deposits as a percentage of total property assets, was 11.2% (31 December 2011: 11.5%).

As at 30 June 2012, the maturity of the Group's outstanding borrowings was as follows:

	30 June 2012 HK\$' million	31 December 2011 HK\$' million
Due		
Within 1 year	520.6	997.3
1-2 years	123.4	116.4
3-5 years	1,906.0	1,948.1
Over 5 years	336.1	349.3
	2,886.1	3,411.1
Less: Front-end fee	(17.0)	(18.8)
	2,869.1	3,392.3

### **Pledge of Assets**

For the Company's subsidiaries operating in Hong Kong and Mainland China, the total bank loans drawn as at 30 June 2012 amounted to HK\$2,869.1 million (31 December 2011: HK\$3,392.3 million), which comprised of secured bank loans of HK\$2,519.1 million (31 December 2011: HK\$3,162.3 million) and unsecured bank loans of HK\$350.0 million (31 December 2011: HK\$230.0 million). The secured bank loans were secured by properties valued at HK\$9,850.5 million (31 December 2011: HK\$9,509.1 million) and fixed deposits of HK\$0.8 million (31 December 2011: HK\$0.8 million).



## **Treasury Policies**

The Group adheres to prudent treasury policies. As at 30 June 2012, all of the Group's borrowings were raised through its wholly-owned or substantially controlled subsidiaries on a non-recourse basis.

## **International Financial Reporting Standards ("IFRS")**

The Group has adopted IFRS and the unaudited condensed consolidated financial statements accompanying this Review have been prepared in accordance with IFRS.

## **OUTLOOK**

The Mainland China housing market has seen signs of bottoming out after a period of government intervention to suppress prices. House buying in the eastern cities was particularly strong in July with a 6.7% increase in national sales over June. However, the PRC government is likely to intervene again if the market economy is improving. In the meantime, the PRC government is trying to tread a fine line between giving stimulus to a slowing economy and keeping a lid on house prices.

In Hong Kong, there has been a change of chief executive and his cabinet since 1 July 2012. The new cabinet has pledged to increase the housing stock particularly at the lower end of the market but we believe that the measures will take some time to implement. In the meantime, property prices remain fairly flat.

Our investment properties in Hong Kong continue to do well. Dah Sing Financial Centre has maintained a high occupancy level with good rental rates being achieved although rents in the central business district have been softening. Crowne Plaza Hong Kong Causeway Bay is enjoying high occupancy whilst the room rates are slightly better than last year.

Foundation works have started at our composite development project in Fo Tan while the foundation work for the first phase of our Kaifeng project will commence in the fourth quarter of 2012. The master layout plan for Chengdu project is at final stage and will be submitted to local government for discussion. The office buildings in Chengdu and Guangzhou continue to perform well with good occupancy.

On behalf of Executive Directors

Lu Wing Chi  
Executive Director  
Hong Kong, 20 August 2012

CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	NOTES	Six months ended 30 June	
		2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)
Revenue	4	291,868	296,483
Interest income		9,794	6,190
Other income		5,935	16,404
Costs:			
Property and related costs	5	(24,306)	(41,417)
Staff costs		(38,633)	(35,481)
Depreciation and amortisation		(40,376)	(38,159)
Other expenses	6	(136,692)	(116,806)
		-----	-----
		(240,007)	(231,863)
		-----	-----
Profit from operations before fair value changes on properties		67,590	87,214
Fair value changes on investment properties		392,290	991,196
		-----	-----
Profit from operations after fair value changes on properties		459,880	1,078,410
Share of results of jointly controlled entities		(2,667)	21
Finance costs	7	(41,763)	(41,860)
		-----	-----
Profit before taxation	8	415,450	1,036,571
Income tax expense	9	(49,955)	(38,973)
		-----	-----
Profit for the period		365,495	997,598
		=====	=====
Attributable to:			
Company's shareholders		367,364	998,440
Non-controlling interests		(1,869)	(842)
		-----	-----
		365,495	997,598
		=====	=====
		<b>HK cents</b>	<b>HK cents</b>
Earnings per share for profit attributable to the Company's shareholders	10		
- Basic		41.4	112.6
		=====	=====
Earnings per share excluding fair value changes on properties net of deferred tax	10		
- Basic		0.9	3.5
		=====	=====

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE SIX MONTHS ENDED 30 JUNE 2012

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	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Profit for the period	365,495	997,598
	-----	-----
Other comprehensive (expense) income		
Exchange differences arising on translation of foreign operations	(20,028)	71,534
Share of translation differences of jointly controlled entities	(250)	912
	-----	-----
	(20,278)	72,446
	-----	-----
Total comprehensive income for the period	345,217	1,070,044
	=====	=====
Total comprehensive income (expense) attributable to:		
Company's shareholders	347,495	1,068,266
Non-controlling interests	(2,278)	1,778
	-----	-----
	345,217	1,070,044
	=====	=====

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2012

	NOTES	30.6.2012 <i>HK\$'000</i> (unaudited)	31.12.2011 <i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Investment properties	12	8,865,925	8,485,275
Property, plant and equipment	12	1,092,558	1,120,341
Properties for development	13	1,282,936	1,288,272
Interests in jointly controlled entities	14	-	44,574
Loans receivable		13,667	16,911
Note receivable	15	15,510	-
Other receivable	16	379,082	381,183
		-----	-----
		11,649,678	11,336,556
		-----	-----
<b>Current assets</b>			
Properties held for sale			
Completed properties		578,163	590,818
Properties under development		623,596	613,423
Other inventories		843	1,019
Loans receivable		807	978
Trade receivables, deposits and prepayments	17	136,500	132,222
Tax recoverable		-	2,223
Amounts due from non-controlling shareholders	18	4,199	1,384
Pledged bank deposits		785	785
Bank balances and cash		1,483,033	2,007,938
		-----	-----
		2,827,926	3,350,790
Assets classified as held for sale	19	42,090	-
		-----	-----
		2,870,016	3,350,790
		-----	-----
<b>Current liabilities</b>			
Payables, deposits and accrued charges	20	224,050	254,712
Provisions		-	5,107
Tax liabilities		99,530	92,165
Amounts due to non-controlling shareholders	18	92,449	85,784
Bank borrowings - due within one year	21	519,776	996,434
		-----	-----
		935,805	1,434,202
		-----	-----
<b>Net current assets</b>		1,934,211	1,916,588
		-----	-----
<b>Total assets less current liabilities</b>		13,583,889	13,253,144
		=====	=====

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued  
 AT 30 JUNE 2012

	NOTES	<b>30.6.2012</b> <i>HK\$'000</i> <b>(unaudited)</b>	31.12.2011 <i>HK\$'000</i> (audited)
<b>Capital and reserves</b>			
Share capital	22	345,204	345,204
Reserves		10,536,096	10,188,601
		-----	-----
Equity attributable to the Company's shareholders		10,881,300	10,533,805
Non-controlling interests		86,838	89,116
		-----	-----
<b>Total equity</b>		<b>10,968,138</b>	<b>10,622,921</b>
		-----	-----
<b>Non-current liabilities</b>			
Bank borrowings - due after one year	21	2,349,289	2,395,852
Deferred taxation	23	266,462	234,371
		-----	-----
		2,615,751	2,630,223
		-----	-----
		<b>13,583,889</b>	<b>13,253,144</b>
		=====	=====

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Attributable to the Company's shareholders						Non-controlling interests	Total
	Share capital	Share premium	Translation reserve	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2011	345,204	4,836,225	247,995	766,370	3,029,766	9,225,560	94,682	9,320,242
Profit for the period	-	-	-	-	998,440	998,440	(842)	997,598
Other comprehensive income for the period	-	-	69,826	-	-	69,826	2,620	72,446
Total comprehensive income for the period	-	-	69,826	-	998,440	1,068,266	1,778	1,070,044
At 30 June 2011 (unaudited)	345,204	4,836,225	317,821	766,370	4,028,206	10,293,826	96,460	10,390,286
Profit for the period	-	-	-	-	154,035	154,035	650	154,685
Other comprehensive income for the period	-	-	85,944	-	-	85,944	873	86,817
Total comprehensive income for the period	-	-	85,944	-	154,035	239,979	1,523	241,502
Disposal of interest in a subsidiary	-	-	-	-	-	-	1,933	1,933
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	(10,800)	(10,800)
At 31 December 2011 (audited)	345,204	4,836,225	403,765	766,370	4,182,241	10,533,805	89,116	10,622,921
Profit for the period	-	-	-	-	367,364	367,364	(1,869)	365,495
Other comprehensive income for the period	-	-	(19,869)	-	-	(19,869)	(409)	(20,278)
Total comprehensive income for the period	-	-	(19,869)	-	367,364	347,495	(2,278)	345,217
At 30 June 2012 (unaudited)	345,204	4,836,225	383,896	766,370	4,549,605	10,881,300	86,838	10,968,138

Other reserves comprise (i) a discount on acquisition/assumption of certain assets and liabilities from the intermediate holding company, S E A Holdings Limited ("SEA") and the excess of the consideration over the market closing price of the shares issued for the acquisition. The amounts attributable to those assets and liabilities derecognised in subsequent years will be recognised in profit or loss; and (ii) the excess of the consideration paid for acquisition of additional interest in a subsidiary from non-controlling shareholder over the carrying amount of non-controlling interests.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	(unaudited)
<b>Net cash (used in) from operating activities</b>	(4,207)	75,460
<b>Investing activities</b>		
Purchase of property, plant and equipment	(2,167)	(5,983)
Net proceeds received on disposal of property, plant and equipment	92	-
Deposit received on disposal of jointly controlled entities	20,000	-
Acquisition of and additional costs on properties for development	(12,405)	(379,243)
Investment in index-linked note	(15,510)	-
Decrease in pledged bank deposits	-	263,318
Increase in other receivable	(6,574)	(29,812)
Other investing cash flows	12,133	15,014
<b>Net cash used in investing activities</b>	(4,431)	(136,706)
<b>Financing activities</b>		
Draw down of bank loans	1,100,000	940,887
Repayments of bank loans	(1,619,960)	(788,366)
Advance from non-controlling shareholders	7,161	14,394
Advance to non-controlling shareholders	(2,815)	(6,000)
<b>Net cash (used in) from financing activities</b>	(515,614)	160,915
<b>Net (decrease) increase in cash and cash equivalents</b>	(524,252)	99,669
<b>Cash and cash equivalents at beginning of period</b>	2,007,938	1,729,354
Effect of foreign exchange rate changes	(653)	16,615
<b>Cash and cash equivalents at end of period, represented by bank balances and cash</b>	1,483,033	1,845,638

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2012

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1. GENERAL

The Company is a public limited company incorporated in the British Virgin Islands with limited liability and its shares are admitted for trading on the AIM Market of London Stock Exchange plc.

The Company acts as an investment holding company. The principal subsidiaries of the Company are engaged in property investment, property development and hotel operation.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and derivative financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011 and those due to the application of the new or revised International Financial Reporting Standards ("IFRS"). In addition, the Group has applied the following accounting policies which are applicable to the debt instrument entered during the period.

*Financial assets at fair value through profit or loss ("FVTPL")*

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.



### 3. PRINCIPAL ACCOUNTING POLICIES - continued

#### *Financial assets at fair value through profit or loss ("FVTPL") - continued*

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

#### *Derivatives*

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss.

#### *Application of amendments to IFRS*

In the current interim period, the Group has applied, for the first time, the amendments to IFRS 7 "Disclosures - Transfers of Financial Assets" issued by the International Accounting Standards Board (the "IASB") and the IFRS Interpretations Committee of IASB.

The amendments to IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The application of the above amendments to IFRS in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

Amendments to IAS 12 "Income Taxes" which is mandatorily effective for the current period has been applied in advance in the financial statements for the year ended 31 December 2011.

### 4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance is mainly focused on the property development, property investment and hotel operation.

Property investment and development activities are in Hong Kong and the People's Republic of China (the "PRC") whereas the hotel operation is in Hong Kong.

4. SEGMENT INFORMATION - continued

The following is an analysis of the Group's revenue and results by reportable segment:

**Six months ended 30 June 2012**

	<b>Property development</b> <i>HK\$'000</i>	<b>Property investment</b> <i>HK\$'000</i>	<b>Hotel operation</b> <i>HK\$'000</i>	<b>Eliminations</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<b>SEGMENT REVENUE</b>					
External sales	21,998	151,021	118,849	-	291,868
Inter-segment sales	-	309	-	(309)	-
	-----	-----	-----	-----	-----
Total	21,998	151,330	118,849	(309)	291,868
	=====	=====	=====	=====	=====
<b>SEGMENT RESULTS</b>					
Segment (loss) profit	(20,477)	458,380	15,131		453,034
	=====	=====	=====		
Interest income					9,794
Corporate expenses					(2,948)
Share of results of jointly controlled entities					(2,667)
Finance costs					(41,763)
					-----
Profit before taxation					415,450
					=====

**Six months ended 30 June 2011**

	<b>Property development</b> <i>HK\$'000</i>	<b>Property investment</b> <i>HK\$'000</i>	<b>Hotel operation</b> <i>HK\$'000</i>	<b>Eliminations</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<b>SEGMENT REVENUE</b>					
External sales	51,159	138,585	106,739	-	296,483
Inter-segment sales	-	319	-	(319)	-
	-----	-----	-----	-----	-----
Total	51,159	138,904	106,739	(319)	296,483
	=====	=====	=====	=====	=====
<b>SEGMENT RESULTS</b>					
Segment profit	7,010	1,060,879	8,255		1,076,144
	=====	=====	=====		
Interest income					6,190
Corporate expenses					(3,924)
Share of results of jointly controlled entities					21
Finance costs					(41,860)
					-----
Profit before taxation					1,036,571
					=====

Inter-segment sales are at mutually agreed terms.

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies.

The Group does not allocate interest income, corporate expenses, share of results of jointly controlled entities and finance costs to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision maker.

No segment assets and liabilities are presented as the information is not reportable to the chief operating decision maker in the resource allocation and assessment of performance.

5. PROPERTY AND RELATED COSTS

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Changes in properties held for sale	9,600	22,428
Reversal of provision on relocation compensation	(5,095)	-
Reversal of write-down of properties held for sale	-	(2,319)
Selling and marketing expenses	1,258	2,993
Direct operating expenses on investment properties	18,543	18,315
	-----	-----
	24,306	41,417
	=====	=====

6. OTHER EXPENSES

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Included in other expenses are:		
Management fees paid to a fellow subsidiary	76,129	70,906
Hotel operating expenses	30,210	26,844
Legal and professional fees	2,456	3,147
	=====	=====

7. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on:		
Bank borrowings wholly repayable within 5 years	20,496	21,812
Bank borrowings not wholly repayable within 5 years	19,070	16,590
	-----	-----
	39,566	38,402
Front end fee	1,732	2,208
Other charges	465	1,250
	-----	-----
	41,763	41,860
	=====	=====

8. PROFIT BEFORE TAXATION

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit before taxation has been arrived at after charging:		
Net exchange loss	2,203	-
and crediting:		
Interest earned on bank deposits	8,921	4,888
Interest income from second mortgage loans	440	902
Imputed interest income on loans to jointly controlled entities	433	400
Net exchange gain	-	6,196
	=====	=====

9. INCOME TAX EXPENSE

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax		
Hong Kong Profits Tax	12,909	14,270
PRC Enterprise Income Tax	3,782	906
	-----	-----
	16,691	15,176
	-----	-----
Deferred tax	33,264	23,797
	-----	-----
	49,955	38,973
	=====	=====

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for each of the period.

PRC Enterprise Income Tax was calculated at the rates applicable to the respective group entities.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the Company's shareholders is based on the following data:

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Earnings for the purpose of basic earnings per share	367,364	998,440
	=====	=====
	<b>2012</b>	2011
Number of ordinary shares in issue for the purpose of basic earnings per share	886,347,812	886,347,812
	=====	=====

No diluted earnings per share is presented as the Company did not have any potential ordinary shares in issue during both periods or at the end of each reporting period.

For the purpose of assessing the performance of the Group, the directors are of the view that the profit for the period should be adjusted for the fair value changes on properties recognised in profit or loss and the related deferred taxation in arriving at the "adjusted profit attributable to the Company's shareholders". A reconciliation of the adjusted earnings is as follows:

	<b>Six months ended 30 June</b>	
	<b>2012</b>	2011
	<b>HK\$'000</b>	<b>HK\$'000</b>
Profit attributable to the Company's shareholders as shown in the condensed consolidated income statement	367,364	998,440
Fair value changes on investment properties	(392,290)	(991,196)
Deferred tax thereon	33,072	23,395
	-----	-----
Adjusted profit attributable to the Company's shareholders	8,146	30,639
	=====	=====
Basic earnings per share excluding fair value changes on properties net of deferred tax	HK0.9 cents	HK3.5 cents
	=====	=====

The denominators used in the calculation of adjusted earnings per share are the same as those detailed above.

## 11. DIVIDENDS

No dividends were paid, declared or proposed during the reported period. The directors do not recommend the payment of any interim dividend.

## 12. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Investment properties were fair valued by independent professional valuers, Savills Valuation and Professional Services Limited at the end of the reporting period. The valuation was arrived at on the basis of capitalisation of net income. The resulting increase in fair value of HK\$392,290,000 (1.1.2011 - 30.6.2011: HK\$991,196,000) has been recognised directly in the condensed consolidated income statement.

During the period, the Group acquired property, plant and equipment of HK\$2,167,000 (1.1.2011 - 30.6.2011: HK\$5,983,000).

## 13. PROPERTIES FOR DEVELOPMENT

The carrying amount represents the Group's interest in certain pieces of lands located in the PRC with lease terms ranging from 40 to 70 years to be held for future development.

The Group paid HK\$333,788,000 for the acquisition of these lands in the preceding period.

## 14. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	<b>30.6.2012</b> <i>HK\$'000</i>	31.12.2011 <i>HK\$'000</i>
Cost of unlisted investments in jointly controlled entities	3,994	3,994
Share of post-acquisition reserves	(5,929)	(3,012)
	-----	-----
	(1,935)	982
Loans to jointly controlled entities	44,025	43,592
	-----	-----
	42,090	44,574
Transfer to assets classified as held for sale	(42,090)	-
	-----	-----
	-	44,574
	=====	=====

Interests in jointly controlled entities were reclassified to assets classified as held for sale upon entering into an agreement for the disposal of the Group's entire equity interest in these entities to the joint venture partner. Details are set out in note 19.

The loans to the jointly controlled entities are unsecured, interest-free and with no fixed repayment terms. Prior to the disposal, it is the Group's intention not to demand the jointly controlled entities for repayment of the loans within one year and accordingly the amounts are classified as non-current assets at the end of the prior reporting period.

On application of IAS 39 "Financial Instruments - Recognition and Measurement", the fair value of the loans advanced to jointly controlled entities is determined based on effective interest rate of 2% per annum on initial recognition. The difference between the principal amount and the fair value of the advances, determined on initial recognition, deemed to be capital contributed to jointly controlled entities, is included as part of the cost investments in jointly controlled entities.

15. NOTE RECEIVABLE

The amount represents the carrying value of a five-year zero coupon principal protected index-linked note with a principal of USD2,000,000 (equivalent to HK\$15,510,000) maturing on 7 February 2017. The index is a proprietary index named Forex Yield Differential Accrual Perpetual Index, which is a proprietary non-discretionary algorithm to calculate the risk filter multiple of non-discretionary trading that observes a basket of ten currencies.

The host contract of the note is measured at amortised cost. The index-linked feature is regarded as a derivative embedded but not closely related to the host contract in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". However, in the opinion of the directors, the fair value of the embedded derivative at the end of the reporting period is insignificant and therefore it has not been accounted for as a separate component in the condensed consolidated financial statements.

16. OTHER RECEIVABLE

At 30 June 2012, the Group had incurred a total amount of HK\$394,397,000 (31.12.2011: HK\$396,583,000) for the excavation, relocation arrangements and infrastructure works on certain pieces of lands in Nanjing of the PRC. The amount, together with further costs to complete the work, are wholly refundable from the relevant PRC local government either by deduction against the consideration payable if the Group is successful in bidding for the lands or out of the proceeds received by the relevant PRC local government from the other successful tenderer. The directors estimated that the amount will be recovered by 31 December 2013 based on their best estimate of the latest development of the time schedule for auction of the relevant lands. The balance is carried at amortised cost based on an effective interest rate of 2% per annum.

17. TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>30.6.2012</b>	31.12.2011
	<b>HK\$'000</b>	HK\$'000
Trade receivables	5,782	9,246
Accrued income, deposits and prepayments	130,718	122,976
	-----	-----
	136,500	132,222
	=====	=====

Trade receivables mainly comprise rental receivable from tenants for the use of the Group's properties and receivable from corporate customers and travel agents for the use of hotel facilities. No credit is allowed to tenants. Rentals are payable upon presentation of demand notes. Average credit period of 30 days is allowed to corporate customers and travel agents.

18. AMOUNTS DUE FROM/TO NON-CONTROLLING SHAREHOLDERS

The balances are unsecured, interest-free and repayable on demand.

19. ASSETS CLASSIFIED AS HELD FOR SALE

The assets classified as held for sale comprises:

	<b>30.6.2012</b> <i>HK\$'000</i>	31.12.2011 <i>HK\$'000</i>
Cost of unlisted investment in jointly controlled entities	3,994	-
Share of post-acquisition reserves	(5,929)	-
	-----	-----
	(1,935)	-
Loans to jointly controlled entities	44,025	-
	-----	-----
	42,090	-
	=====	=====

On 7 March 2012, the Group entered into an agreement to dispose of its entire equity interest in, together with the assignment of the loans to the jointly controlled entities to the joint venture partner for a total cash consideration of HK\$61,250,000 of which deposit of HK\$20,000,000 was received. The disposal will be completed in December 2012 upon final settlement of consideration.

20. PAYABLES, DEPOSITS AND ACCRUED CHARGES

	<b>30.6.2012</b> <i>HK\$'000</i>	31.12.2011 <i>HK\$'000</i>
Trade payables	1,588	2,022
Rental deposits	85,627	83,930
Rental received in advance	7,840	10,208
Other payables, other deposits and accrued charges	128,995	158,552
	-----	-----
	224,050	254,712
	=====	=====

Included in other payables, other deposits and accrued charges are an aggregate amount of HK\$82,191,000 (31.12.2011: HK\$85,986,000) payable to contractors for the cost in relation to the excavation, relocation arrangements and infrastructure works on certain pieces of the lands as detailed in note 16 and deposit of HK\$20,000,000 (31.12.2011: nil) received from disposal of the interests in the jointly controlled entities.

Rental deposits to be settled after twelve months from the end of the reporting period based on the respective lease terms amount to HK\$66,499,000 (31.12.2011: HK\$60,701,000).

21. BANK BORROWINGS

During the period, the Group repaid bank loans amounting to HK\$1,619,960,000 (1.1.2011 - 30.6.2011: HK\$788,366,000) and drew bank loans which carry interest at variable rates in the amount of HK\$1,100,000,000 (1.1.2011 - 30.6.2011: HK\$940,887,000).



22. SHARE CAPITAL

	<b>30.6.2012</b>	31.12.2011
	<b>US\$'000</b>	US\$'000
Authorised:		
1,300,000,000 ordinary shares of US\$0.05 each	65,000	65,000
	=====	=====
Issued and fully paid:		
886,347,812 ordinary shares of US\$0.05 each	44,317	44,317
	=====	=====
	<b>HK\$'000</b>	<b>HK\$'000</b>
Shown in the condensed consolidated financial statements as	345,204	345,204
	=====	=====

23. DEFERRED TAXATION

Deferred tax liabilities are mainly provided on the fair value changes of the investment properties located in the PRC for an amount HK\$234,867,000 (31.12.2011: HK\$202,876,000).

24. PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

- (a) Fixed charges on investment properties with an aggregate carrying value of HK\$8,210,867,000 (31.12.2011: HK\$7,866,058,000) together with a floating charge over all the assets of the properties owning subsidiaries and benefits accrued to the relevant properties.
- (b) Fixed charges on hotel properties with aggregate carrying values of HK\$1,015,987,000 (31.12.2011: HK\$1,029,655,000) together with a floating charge over all the assets of the property owning subsidiaries and benefits accrued to the relevant properties.
- (c) Fixed charges on properties under development held for sale with an aggregate carrying value of HK\$623,596,000 (31.12.2011: HK\$613,423,000).
- (d) Bank deposits of HK\$785,000 (31.12.2011: HK\$785,000).

25. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) The Group had the following transactions with fellow subsidiaries, which are wholly-owned subsidiaries of SEA during the period:
  - (i) Rental income of HK\$5,555,000 (1.1.2011 to 30.6.2011: HK\$5,249,000) from the renting of the Group's premises; and
  - (ii) Management fees of HK\$76,129,000 (1.1.2011 to 30.6.2011: HK\$70,906,000) in respect of provision of property development and management services to the Group on the Group's property portfolio.
- (b) Details of loans to jointly controlled entities are disclosed in the condensed consolidated statement of financial position and note 14.
- (c) The remuneration of directors who are the Group's key management personnel during the period amounted to HK\$1,362,000 (1.1.2011 to 30.6.2011: HK\$1,382,000).